

Secretary of State Audit Report

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Opportunities to Increase Adult GEDs In Support of 40-40-20 Education Plan

Summary

Making Oregon more competitive in an increasingly service- and information-based economy led business leaders and policymakers to institute a statewide educational goal that emphasizes preparing students to succeed in post-secondary education. In 2011, the Oregon Legislative Assembly set the following goals to be achieved by 2025:

- Ensure that at least 40% of adult Oregonians have earned a bachelor's degree or higher;
- Ensure that at least 40% of adult Oregonians have earned an associate's degree or post-secondary credential as their highest level of educational attainment; and
- Ensure that the remaining 20% or less of all adult Oregonians have earned a high school diploma, an extended or modified high school diploma, or the equivalent of a high school diploma as their highest level of education attainment.

In 2011, the U.S. Census Bureau reported that 340,000 Oregonians or about 11% of Oregon's population 18 years and older lacked a high school diploma or equivalent and additional students drop out of high school each year. Seventeen percent, or about 8,300 of the most recent 2010-11 cohort of students in Oregon either dropped out or completed 12th grade without fulfilling the requirements necessary to earn a high school diploma.

We found opportunities to increase the number of General Educational Development credentials (GEDs) awarded to adults in order to meet the goal that all adult Oregonians achieve at least a high school diploma or higher by the year 2025. Current strategies aimed at implementing Oregon's 40-40-20 education goal do not sufficiently address the education needs of adults that have already dropped out of school, nor do they address the needs of those that may drop out in the future.

We found that high schools do not routinely share with Oregon's 17 community colleges or other organizations any information about students who recently dropped out of high school. With this information, community colleges could attempt to contact former students about GED preparatory

programs and the exam. Instead, many of the community colleges largely rely on traditional marketing and outreach efforts such as distributing flyers or including GED class information in course catalogs and college websites. There also is little statewide marketing effort to publicize the value of adults obtaining a GED credential.

Community colleges have made significant efforts to encourage GED recipients to continue on to post-secondary education by providing a wide variety of services to overcome personal and educational barriers. However, we found a few community colleges have limited services for GED students, and that successful models could be better shared among the community colleges.

The community colleges and the state's Department of Community Colleges and Workforce Development (CCWD) have developed partnerships with other agencies and organizations to refer clients to GED programs when education is a barrier to employment. Yet, financial assistance to clients for educational purposes has been dramatically reduced over the last several years. Additionally, Oregon does not provide dedicated funding for GED testing, and state support to community colleges has been significantly reduced over the last several years.

National concerns about the rigor of the GED exam have led to changes to future exams starting in 2014, including alignment with emerging national education standards, and an additional performance level to certify that adults are ready for college and career. As with the existing exam, the new GED exam's minimum passing score will be set at a level where approximately 60% of high school seniors would be able to pass it. However, these changes may create additional costs and barriers to obtaining a GED credential.

Recommendations

We recommend that CCWD work with the State Board of Education, the Oregon Education Investment Board, and the community colleges to develop a more detailed strategy for Oregonians without a high school degree. In addition, continued collaboration is needed between high schools, community colleges, and other agencies and organizations to help ensure clients needing a GED are referred to local programs. More can be done by CCWD to facilitate the sharing of successful marketing and retention practices among the community colleges, and to increase public awareness of the value of obtaining a GED credential. The impact of the new GED exam, beginning in 2014 will need to be evaluated as well.

Agency Response

The agency response is attached at the end of the report.

Background

Oregon's changing economy and workforce

Until a few decades ago, Oregon had a strong natural resource-based economy that allowed Oregonians without a high school diploma to obtain employment in industries such as timber and fishing. Since the 1990s, Oregon's economy has become more knowledge based and it is more difficult for high school dropouts to find and keep employment, especially in the wake of the 2007 recession.

Making Oregon more competitive in this new economy requires an educated, adaptable workforce able to perform jobs in the advanced manufacturing, technology, and green energy industry sectors that Oregon is looking to attract and retain in the region. To be more competitive, today's job applicants in Oregon need at least a high school diploma or equivalent, and some post-secondary education.

Believing that Oregon's current education system does not have the capacity to provide students with the knowledge and skills necessary to succeed in this changing economy, Oregon business leaders and policymakers moved toward instituting a statewide educational goal that would emphasize preparing students to succeed in post-secondary education.

Creating a unified P-20 public education system

In 2011, the Oregon Legislative Assembly passed Senate Bill 909, which called for the creation of a unified system of public education from preschool through graduate school (P-20), and also established the Oregon Education Investment Board (OEIB) to ensure that all public school students achieve the state's education outcome goals.

The same Legislative Assembly passed Senate Bill 253, which declared that the mission of education beyond high school in Oregon includes achieving the following, known as the 40-40-20 education goal, by 2025:

- Ensure that at least 40% of adult Oregonians have earned a bachelor's degree or higher;
- Ensure that at least 40% of adult Oregonians have earned an associate's degree or post-secondary credential as their highest level of educational attainment; and
- Ensure that the remaining 20% or less of all adult Oregonians have earned a high school diploma, an extended or modified high school diploma, or the equivalent of a high school diploma as their highest level of education attainment.

The OEIB's duties include creating a coordinated public education system, focusing state investment on achieving student outcomes, and building a statewide data system to measure student outcomes. The OEIB is pursuing a plan to fulfill these duties and meet the state's 40-40-20 education goal

while also allowing individual educational institutions flexibility to determine how best to achieve student outcomes. Legislation enacted in early 2012 directs all K-12 districts, education service districts, community college districts and public universities to enter into annual achievement compacts with the OEIB in order to focus funding and strategies at the state and local level on the achievement of the statewide education goals.

340,000 Oregonians have no high school diploma or GED

The OEIB’s goal is that by 2025, 100% of Oregon’s high school students will remain in school and earn a high school diploma. Until this goal is reached, Oregonians who have dropped out of high school will need to earn a GED credential in order to compete for jobs, enter a four year university, and qualify for financial aid at two or four year colleges.

In 2011, the U.S. Census Bureau reported that 340,000 Oregonians, about 11% of Oregon’s population age 18 and over, lacked a high school diploma or equivalent. Moreover, recent data shows that additional students drop out of high school each year. Adults between the ages of 18 and 25 account for about 17% of Oregonians without a high school diploma or equivalent.

For the last three years, roughly one third of Oregon students entering 9th grade failed to graduate with a high school diploma four years later. According to the U.S. Department of Education, out of the 47 states that submitted data, Oregon had the fourth lowest 4-year graduation rate in the U.S. for the class due to graduate in the 2010-11 school year.

Some students who fail to graduate with a high school diploma in four years go on to earn an alternative diploma, a GED credential, or they enroll in high school for a fifth year. As shown in Table 1, taking these students into account, about 17% of students due to graduate in the 2010-11 school year either dropped out or completed 12th grade without fulfilling the requirements to earn a high school diploma.

Table 1: ODE Statewide Cohort Dropout and Graduation Rates, 2008-09 to 2010-2011

| | 2008-09 | 2009-10 | 2010-11 |
|--|---------|---------|---------|
| Cohort | 50,700 | 49,640 | 48,173 |
| 4- Year Graduates | 33,557 | 32,951 | 32,587 |
| Alternative Diploma or GED | 6,875 | 3,691 | 3,324 |
| Continued Enrollment for 5th School Year | 2,149 | 4,442 | 3,883 |
| Dropped Out or Did Not Earn Diploma | 8,119 | 8,286 | 8,379 |
| Percent without Diploma or Equivalent | 16.0% | 16.7% | 17.4% |
| 4 Year Cohort Graduation Rate | 66.2% | 66.4% | 67.6% |

Causes and consequences of dropping out of high school

Students drop out of high school for a variety of reasons, but the decision often follows gradually disengaging from school rather than a sudden decision to leave. According to a 2006 Gates Foundation study, nearly half

of the students studied cited school not being interesting as a major reason for dropping out. Other reasons included:

- Needing to get a job;
- Parenting a child;
- Caring for a family member;
- Failing in school;
- Poor academic preparation for high school; and
- Not being inspired to work hard.

Warning signs often precede the student's decision not to return to school, such as chronic absenteeism, low parental involvement, or repeating a grade. Certain family attributes also increase a student's likelihood of dropping out. These include low income levels, low parental education levels, high degrees of family stress, and frequent family moves.

The community surrounding a high school can contribute to higher dropout rates. High schools located in urban areas have higher dropout rates than schools in suburban or rural areas, and schools in communities with high poverty rates, a high proportion of minorities, or large foreign-born populations also have high dropout rates.

Individuals without a high school diploma are more likely to be unemployed or have lower paying jobs than individuals with at least a high school diploma. According to 2010 U.S. Census data shown in Figures 1 and 2, Oregonians ages 25-64 with less than a high school diploma have an unemployment rate of 17.3% and median earnings of \$17,970 per year, while high school graduates and GED holders have a lower unemployment rate of 15.6% and higher median earnings of \$24,147. Earning a post-secondary degree after completing a GED credential is associated with even better economic outcomes. Oregonians with a bachelor's degree or higher had an unemployment rate of 6.3% and median earnings between \$41,884 and \$54,217 per year.

Figure 1: 2010 Unemployment Rates of Oregonians Ages 25-64, by Educational Attainment

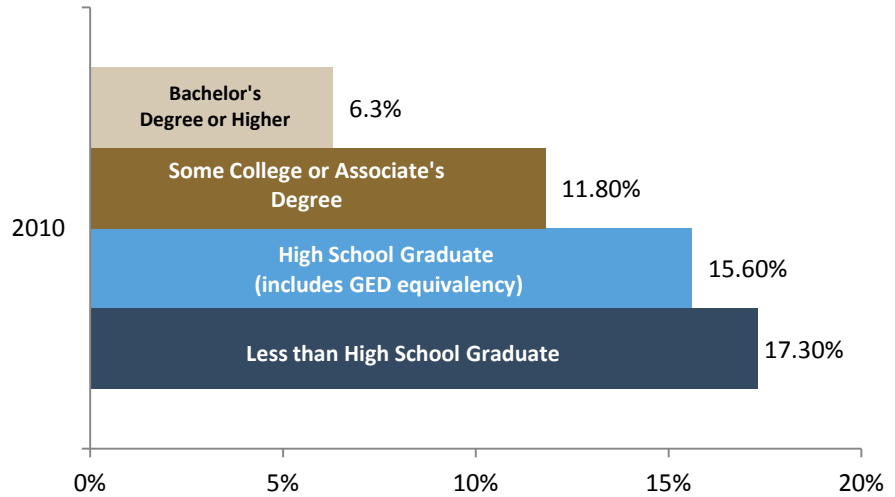
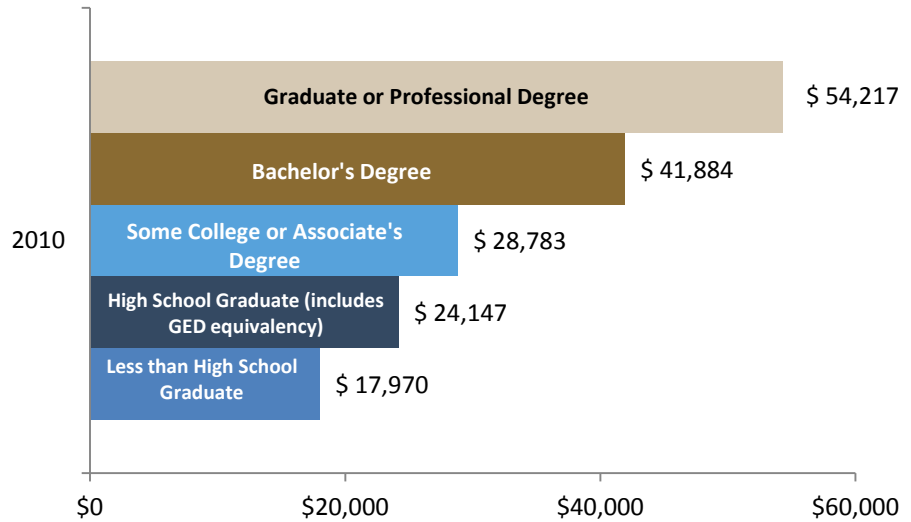


Figure 2: 2010 Median Earnings of Oregonians Ages 25-64, by Educational Attainment



The social costs of Oregon’s dropout rate are also considerable. Compared to Oregonians with higher educational attainment, Oregonians without a high school diploma are less likely to be in the labor force, they are also more likely to receive public assistance such as Supplemental Nutrition Assistance Program benefits, Temporary Assistance to Needy Families, or Medicaid benefits, and they are also more likely to be incarcerated at some point in their lifetime.

GED is a path back to education for students who drop out

High school dropouts have the option to return to high school and finish the credits necessary for a high school diploma until age 19, if the birthday occurs during the school year, and in some cases if the person has not yet

turned age 21 prior to the beginning of the school year. Students who do not earn the necessary credits in time can either pursue an Adult High School Diploma or a GED credential. In 2010-11, more students in Oregon chose to pursue GEDs than Adult High School Diplomas. Getting a GED credential requires paying an exam fee that ranges from \$75 to \$155. In addition, some who take the exam first take GED preparation courses at one of the community colleges. While some of the colleges offer the courses for free, others charge a fee that ranges from \$10 to \$95 per course.

First developed in 1942, the GED exam was designed to give veterans without high school diplomas who had earned G.I. Bill benefits an alternate means of entering post-secondary education. There have been four versions of the GED exam, which were released in 1942, 1978, 1988, and 2002. The GED exam’s minimum passing score is set at a level where approximately 60% of high school seniors would be able to pass it.

The current GED exam (2002 series) consists of five sub-tests: language arts reading, language arts writing, mathematics, science, and social studies, as shown in Table 2. Currently, students can take the GED exam at authorized testing centers throughout Oregon. Possible scores range from 200-800, but the minimum passing score for each sub-test is 410. Students must earn a score of at least 2250 for the entire battery, meaning that they need to score an average of 450 on each of the five sub-tests.

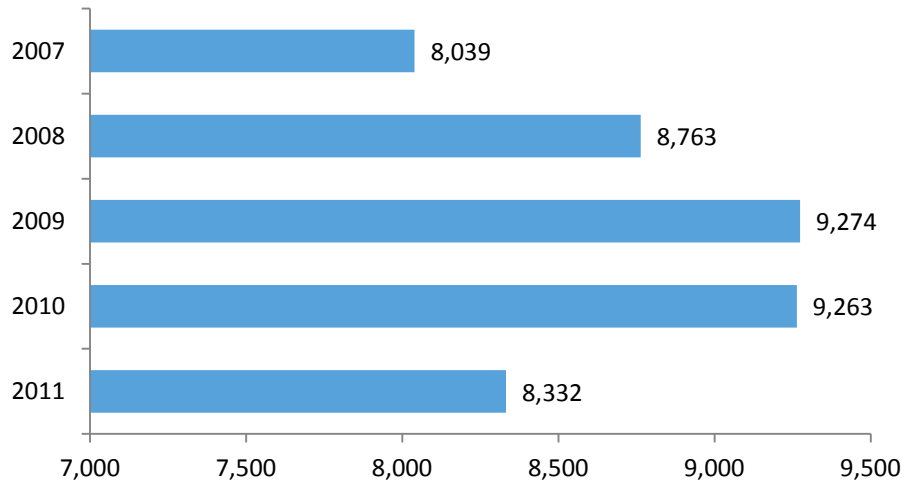
Table 2: GED Exam Sub-Tests (2002 Series)

| Content-Area Test | Items | Time Allowed |
|------------------------|--------------|--------------|
| Language Arts, Writing | 50 Questions | 75 minutes |
| | Essay | 45 minutes |
| Language Arts, Reading | 40 Questions | 65 minutes |
| Mathematics | 50 Questions | 90 minutes |
| Science | 50 Questions | 80 minutes |
| Social Studies | 50 Questions | 70 minutes |

Individuals pursue GED credentials for a variety of reasons. In 2011, 62% of Oregon GED passers obtained a GED credential for educational reasons, 4% to enter the military, 56% for employment reasons, and 56% pursued a GED credential for personal satisfaction reasons. A GED credential is not required to enroll in an Oregon community college, but it is required to qualify for federal financial aid. A GED credential is also a path for freshman admission to Oregon’s universities if the applicant lacks a high school diploma.

As shown in Figure 3, about 43,000 Oregonians earned a GED credential between 2007 and 2011. According to the GED Testing Service, roughly 8,000 to 9,000 Oregonians passed the GED exam in each of those years. Approximately 85% of Oregonians who complete the GED exam each year earn passing scores.

Figure 3: Oregon GED Exam Passers, 2007-2011



Oregon community colleges offer GED preparation

Individuals who are interested in pursuing a GED have many preparation options available, including home or internet study, taking official practice tests, or enrolling in a community college Adult Basic Education course. Table 3 shows how 2011 Oregon GED passers prepared for the GED exam.

Table 3: How 2011 GED Passers Prepared for the GED Exam

| How Prepared For GED Exam | Percent |
|---|---------|
| Official Practice Tests | 29.6% |
| Community College Adult Education Class | 29.3% |
| Home Study | 21.0% |
| Self-Taught | 17.3% |
| Internet/Computer | 17.1% |

Community college Adult Basic Skills (ABS) programs consist of Adult Basic Education (ABE), Adult Secondary Education (ASE) and English for Speakers of Other Languages (ESOL) courses. These performance level categories are established by the federal Office of Vocational and Adult Education for all states that use Workforce Investment Act Title II funds to support adult basic skills education. Individuals interested in enrolling in one of these programs can attend an orientation in their local community and take a placement test to assess their skill level.

Students who earn a placement test score equivalent to an 8th grade skill level or below are placed into ABE courses; those with a 9-12th grade skill level are placed in ASE courses. Students at the ASE skill level may be capable of passing the GED exam without extensive preparation time, but students at the ABE skill level may need multiple academic terms of courses before they are able to pass the exam. There are also Spanish GED

courses available at Oregon community colleges for students who have the content skill level necessary to pass the GED exam but not the English language skills.

Courses in ABE and ASE programs are delivered in a variety of formats depending on each community college's enrollments and resources. Courses range from multi-skill level lab style classes where students pursue their studies independently to the structured Oregon Pathways for Adult Basic Skills (OPABS) curriculum.

CCWD's role in providing GED preparation and testing

In Oregon, there is a decentralized system of 17 independent community colleges. The Department of Community Colleges and Workforce Development (CCWD) and the State Board of Education distribute state and federal funds to each of the community colleges, set broad policies, and approve new courses and programs. CCWD does not govern the colleges, but does provide assistance and information to the colleges when needed. Locally elected education boards are responsible for setting policy for their individual colleges, while executive staff members at the colleges are responsible for administering and managing program offerings.

CCWD administers grant funds for the federal Adult Education and Family Literacy Act and oversees administration of GED testing throughout the state. CCWD also tracks the percentage of successful GED certificate applicants each year as one of its key performance measures. GEDs have also been integrated into the achievement compacts that the OEIB requires community colleges to submit annually.

CCWD administers the federal grant funds to the community colleges using a performance based funding formula that integrates student outcomes into each college's grant award. CCWD also collects related data, submits annual reports to the U.S. Department of Education, and conducts in-depth program reviews of each college's Adult Basic Skills program every seven years. Program reviews assess indicators of program quality, acknowledge achievements and progress, and also provide recommendations for improvement.

CCWD also houses Oregon's GED Administrator, who is responsible for overseeing GED testing throughout the state. This includes ensuring that the state's GED testing program complies with GED Testing Service policies and procedures, approving locations for official GED testing centers, approving the appointment of GED examiners and proctors, coordinating and monitoring all GED testing contracts, and maintaining complete and accurate GED candidate records. There are 45 official GED testing centers in Oregon located at community colleges, four year universities, education service districts, correctional facilities, and WorkSource Oregon Centers.

Audit Results

The needs of 340,000 adults without a high school diploma or equivalent will have to be addressed in order for Oregon to achieve the 40-40-20 education goal. Current strategies do not sufficiently address their education needs, nor do they address the needs of those who may drop out of school in the future.

We found that there are opportunities to increase the number of GEDs awarded to adults in order to meet the goal that all adult Oregonians achieve at least a high school diploma by the year 2025.

More collaboration between high schools and community colleges

It is important for recent high school dropouts to be reengaged with the education system soon after dropping out to minimize the financial impact. According to a GED Testing Service study, adults who waited until after age 20 to complete a GED credential or high school diploma may experience sizeable financial losses compared to adults who do so prior to age 20. However, in Oregon, the average length of time between dropping out of school and obtaining a GED credential is eight years, well beyond age 20. Waiting several years after dropping out to complete a GED credential could also prolong the amount of study time necessary to pass the exam due to losing knowledge and skill while out of school.

In Oregon, there is not an adequate safety net to catch and reengage students who have dropped out of high school. Information about students who have recently dropped out or did not fulfill the requirements to earn a high school diploma is rarely provided to the community colleges or other organizations so that former students might be contacted about GED preparatory programs and the GED exam. Community colleges generally wait for students to walk through their doors and do not have an effective way to reengage students shortly after they have dropped out of school.

Currently, there is little incentive for high schools and community colleges to collaborate in order to reengage recent dropouts. Although almost all of the community colleges provide GED options instruction to high school students on the verge of dropping out, according to Adult Basic Skills directors we spoke with, the high schools have understandably been reluctant to refer their students to GED programs, in hopes of encouraging them to complete high school and receive a diploma.

Some high schools have also been reluctant to refer students who have already dropped out to community college GED programs, or to provide colleges with information about recent dropouts so that the community colleges might contact them about participating in a GED preparatory program or taking the GED exam. Community colleges could, however, build on existing relationships with high schools to obtain information about students who have recently dropped out.

Community college Adult Basic Skills Directors felt that having contact information for recent high school dropouts in their area would be helpful in order to provide them with information about GED programs and the GED exam. Some also expressed concern that the Family Educational Rights and Privacy Act (FERPA) might prohibit high schools from sharing information about dropouts. However, FERPA contains an exception that permits a school to disclose personally identifiable information (e.g. student's name, address, e-mail address, and telephone listing) when doing so would not generally be considered harmful or an invasion of privacy.

Community colleges rely on traditional marketing methods

To reengage and recruit adults without a high school diploma or GED, many Oregon community colleges rely on traditional marketing and outreach efforts. These include word of mouth, sending out mailers, publishing course catalogs and other information on their websites, and distributing flyers to state agencies and non-profit partners. However, the community colleges are generally not actively recruiting students for the GED programs or GED exam. According to Adult Basic Skills Directors we spoke with, the traditional methods achieve limited results.

Some community colleges told us about more unique GED marketing and outreach methods they have tried, and felt that successful marketing and outreach techniques could be better shared among the community colleges. Other recruiting efforts include things such as providing information about the GED by hosting a table at a local fair or other community events, conducting outreach with local employers, and using targeted radio announcements. For example, Blue Mountain Community College has had success using radio advertisements targeted to specific populations, such as Spanish language speaking adults in need of a GED credential.

In another example, Linn-Benton Community College staff members conducted interviews with local newspapers to promote the college's Adult Basic Skills program, and saw their enrollments increase after those interviews were published. Treasure Valley Community College staff members met with local high school counselors, principals, and teachers face-to-face to describe how their GED preparation program emphasizes preparing students for college. They thought this helped break down the resistance high school faculty members often feel about referring their students to community college GED courses.

Adult GED programs could benefit from statewide marketing

Several community college Adult Basic Skills directors told us that their programs would benefit from a statewide marketing campaign that would emphasize the value of adults getting a GED credential and would include information about GED programs and the exam. Compared to information about other states' GED programs we reviewed, there are very few statewide efforts in Oregon to market adult GED programs and the exam.

Oregon currently conducts very little statewide advertising of the adult GED program. There is no statewide advertising in mediums such as radio or television, and minimal advertising on the web. For example, CCWD’s website contains little information about the various GED programs, and someone would first need to navigate their way to the website in order to find that information. Information about the GED program is mostly limited to minimal marketing efforts by the individual community colleges.

The only planned statewide marketing of Oregon’s GED program and exam is the national GED Testing Service’s marketing campaign for the upcoming 2014 GED exam. However, this effort will not address longer-term marketing and recruitment needs of community colleges wanting to attract additional students to their GED programs.

Continued collaboration with other agencies

Community colleges have developed partnerships with state agency client services programs to identify individuals without a high school diploma or GED who could benefit from GED preparatory programs. Examples of such partnerships are listed in Table 4.

Table 4: Selected State Agency Programs That Refer Clients to the GED

| State Agency | Program |
|--|---|
| Community Colleges and Workforce Development | <ul style="list-style-type: none"> ▪ Workforce Investment Act (Title 1B) Adult and Dislocated Worker Programs |
| Department of Human Services | <ul style="list-style-type: none"> ▪ Independent Living ▪ Temporary Assistance for Needy Families Job Opportunities and Basic Skills ▪ Vocational Rehabilitation |
| Oregon Employment Department | <ul style="list-style-type: none"> ▪ Trade Adjustment Assistance ▪ Unemployment Insurance |

For example, Worksource Oregon’s Workforce Investment Act (Title 1B) Dislocated Worker Program helps workers who have lost a job through no fault of their own obtain employment by providing job search assistance services. The program may provide GED exam fee scholarships and may offer GED preparation courses if a large employer closes, such as a timber mill, and the dislocated employees lack a high school diploma or equivalent.

Although obtaining a GED credential, or attempting to obtain one, is not required in order to receive services, these programs have policies and/or procedures that require staff to assess the education and skill level of clients and determine whether lack of education is a barrier to employment. In cases when education is a barrier, the programs refer clients to GED programs or the exam if doing so will reduce the employment barrier. Because some benefits are limited in duration, such as unemployment insurance, clients may have a limited amount of time to pursue training before their benefits run out, which may be a deterrent to pursuing a GED credential.

Although client services agencies have relationships with the community colleges that include referring clients to GED programs, current economic times have caused these agencies to significantly reduce funding for education services for clients, thus impacting the number of clients participating in GED preparatory programs at the community colleges. Continued collaboration is needed between community colleges, and other agencies and organizations during challenging economic times to help ensure clients needing a GED credential continue to be referred to local programs.

Methods to retain adult GED students and help them succeed

During the 2010-11 school year, 5,692 students in community college Adult Basic Education programs listed attaining their GED as a goal, while only 2,310 achieved that goal. Adults returning to school to obtain a GED credential often times face additional challenges. Issues that may have deterred them from getting a high school diploma may still be a factor and, as adults, they may be experiencing additional barriers to continuing their education.

The barriers that can impact the success of an adult seeking to obtain a GED credential can be monumental. While almost all of Oregon's community colleges provide support services of some kind to help GED students succeed, they struggle to find the resources to fund them. Support services designed to help GED students overcome academic barriers include:

- Mentoring;
- Academic advising and tutoring services;
- Follow-up with students who miss class or have stopped attending; and
- Referrals of students with potential learning disabilities to campus or community resource centers.

Some community colleges have found resources through partnerships with local nonprofits, social service agencies, and other departments within the college. According to community college Adult Basic Skills directors we spoke to, these methods of providing support services could be better shared among the colleges.

The community colleges also recognize the need to help students overcome personal and financial barriers to obtaining a GED credential. Low income or even poverty is often a barrier for students seeking to prepare for and obtain a GED credential, making it difficult for them to afford even the minimal class fees, let alone other expenses such as childcare costs and learning disability diagnostic testing. Services to help address these needs include:

- Financial assistance with GED course and testing fees;
- Counseling to address personal needs that may be impacting an adult's educational goals;

- Assistance that entitles the student to public transportation for free or at a reduced cost;
- Childcare referrals and assistance with childcare costs in some cases; and
- Referrals to additional community resources that can assist low-income students.

For example, Central Oregon Community College offers free counseling to assist students in resolving personal issues that prevent them from achieving their potential while in school. Professional counselors are available on the Bend campus to meet with students enrolled in at least one college credit or Adult Basic Education/English Language Learner course. The service is provided through a partnership with a local behavioral health provider.

In addition, almost all community colleges offer evening GED classes, and two offer weekend classes. A handful of colleges also offer on-line GED classes, but those may include some classroom instruction. A few Adult Basic Skills directors explained they have learned from experience that GED students are best served in a face-to-face learning environment, which allows the instructors to interact personally with the students. Language barriers can also require additional time to prepare for the GED exam. To address this barrier for Spanish speaking students, several community colleges now offer GED preparatory classes in Spanish.

One of the biggest barriers facing GED students is the need for childcare services while attending classes. Unfortunately, this is also one of the most challenging barriers for community colleges and others to help GED students overcome due to the high cost of childcare and limited financial resources. Few community colleges have the resources to help GED students, or other students, pay for childcare. Those that are helping students with childcare, do so through partnerships with other organizations. For example, Linn-Benton Community College has partnered with Family Connections, the state's designated child care resource and referral agency, to provide information to students about things such as personalized child care referrals, assistance paying for child care, and how to find and keep good childcare. The Family Connections center is funded through a state block grant and is located on campus, making it easily accessible to students.

GED students transition to post-secondary education and careers

The role of the GED program within the community college setting has evolved over the last several years. According to Adult Basic Skills directors we spoke with, a program that was once viewed as separate or secondary to the core function of the community college is becoming more important to the overall success of the colleges and surrounding communities. This is due in part to the understanding that GED students may go on to take college classes.

In the past, some GED programs were not located on the main college campus, but rather some were at off-site locations. Today, most Adult Basic Skills and GED instructional facilities are located within the central campus, which foster student identification with the greater college. Several Adult Basic Skills directors told us that colleges have come to realize that the success of GED students can have a positive impact on the college community as a whole since many will go on to earn college credits. Some administrators we spoke to, however, have not seen this shift in attitude at their college.

Many of the community colleges have made significant efforts to encourage GED recipients to continue their education. These include providing tuition waivers or scholarships for college credit classes, offering dual enrollment into GED and college credit courses, further integrating the GED program and classes into the college campus setting, offering lectures or classes about degree programs, and providing assistance with college registration and financial aid applications.

Several of the Adult Basic Skills directors attribute part of the success of their GED students to the Oregon Pathways for Adult Basic Skills (OPABS) initiative. In 2006, CCWD began working in partnership with community college Adult Basic Skills programs on the OPABS initiative. CCWD funds and directs OPABS development, implementation, and dissemination. A key goal of OPABS is to build a pipeline of prepared Adult Basic Education (including GED) learners to enter post-secondary education, training programs, and jobs in high-demand career areas.

OPABS students progress as a cohort through a sequence of courses that pair basic skills instruction with the career and technical knowledge necessary to move on to credit bearing classes in a designated career pathway. Five accelerated basic skills courses incorporate applied occupational content from Oregon's high demand industries: Health Services, Industrial and Engineering Systems, and Business and Management. The program also includes a college and career readiness course.

Concerns about the GED exam's rigor and relevance

There has been nationwide concern that the GED is not rigorous enough to be truly equivalent to earning a high school diploma. Researchers who have studied the outcomes of GED earners have questioned whether a GED credential allows high school dropouts to catch up to diploma holders in employment or earnings. There is some evidence to suggest that GED earners have higher wages and annual earnings than high school dropouts. However, GED earners earn lower wages and complete fewer post-secondary credits than high school diploma holders.

Another concern raised about the GED exam is that it does not adequately prepare students to enter and complete post-secondary education. GED passers who enter college often need remedial courses, which can drain financial aid and add to the time necessary to complete a degree. According

to a nationwide longitudinal study the GED Testing Service conducted on 2004 GED test passers, 53.6% of Oregon GED passers enrolled in post-secondary education, but only 12.1% graduated with a post-secondary credential.

These concerns about the GED's rigor and relevance coincided with the move that the National Governors Association and the State Higher Education Executive Officers have spearheaded to adopt Common Core State Standards. Thus, the GED Testing Service decided to revise the GED exam content to make it more reflective of the skills necessary to succeed in college and career. This included alignment with emerging national education standards and establishing an additional performance level to certify that adults are ready for college and career. As with the existing exam, the new GED exam's minimum passing score will be set at a level where approximately 60% of high school seniors would be able to pass it.

The new exam series will be released in 2014, and the delivery of the exam will move from paper and pencil to computer based testing. Because the exam has not yet been released it is uncertain whether the revisions will address the concerns about the rigor and value of the GED exam. Evaluating the impact of the 2014 GED exam could help determine the value and relevance of the new GED for Oregonians without high school diplomas.

Adult GED not sufficiently addressed in 40-40-20 education strategies

In order to achieve the goal of all Oregon adults having at least a high school diploma or equivalent by 2025 and 80% having a post-secondary education, the educational needs of those without a high school diploma will need to be met. This will require a coordinated statewide effort that is unlikely to occur without a strategic plan targeted at reengaging high school dropouts, helping them earn GEDs, and then facilitating their transition to post-secondary education or employment.

One of the challenges with developing a comprehensive strategy for Oregon's community colleges is that the colleges are controlled locally, with each college having the authority to make decisions about its strategic planning and how best to allocate funds within the college. Community college administrators told us that although they are discussing a comprehensive strategy for increasing GEDs as a collective body of Adult Basic Skills directors, a comprehensive strategy addressing the GED portion of 40-40-20 has not been conveyed to them by the state.

Plans for accomplishing the statewide 40-40-20 education goal are still in the early phases, but we found that existing strategic plans, guidance and reports have not sufficiently addressed the needs of Oregonians that have already dropped out of school. Nor do they address the needs of those that will drop out in the future. Specifically, these strategies are not focused on how to market the value of adults obtaining a GED credential, how to fund additional GED preparatory classes and exams, how to retain and help GED students be more successful, and how the 17 community colleges might

better coordinate with local partners to provide needed support services. Table 5 highlights selected material we reviewed.

Table 5: Oregon Educational Plans, Strategies, and Reports Related to 40-40-20 Goal

| Title | Agency | Comments |
|--|--------|--|
| Title II Transitional Unified State Plan | CCWD | <ul style="list-style-type: none"> ▪ Federally required strategic plan for state ABE, GED, and ESL programs |
| 2011-2013 CCWD Key Performance Measures | CCWD | <ul style="list-style-type: none"> ▪ Percentage of successful GED certificate applicants is one of CCWD's Key Performance Measures (KPMs) |
| "Find Your Future" Adult Credentialing Communications Strategy | CCWD | <ul style="list-style-type: none"> ▪ Emphasizes promoting the value of attaining degrees and credentials on community college communications ▪ Does not address the adult GED |
| The Oregon Community Colleges Persistence and Completion Student Success Plan 2010-2013: Measure What You Treasure | CCWD | <ul style="list-style-type: none"> ▪ CCWD's plan to boost the number of degrees and certificates ▪ Identifies transition from ABE/GED to credit courses as a priority ▪ Does not address increasing the number of GEDs |
| Oregon Learns: Report to the Legislature from the Oregon Education Investment Board | OEIB | <ul style="list-style-type: none"> ▪ Issues OEIB's broad vision for Oregon's educational realignment and meeting 40-40-20 education goals ▪ Makes reference to the GED and strategies to support high school dropouts ▪ No discussion of GED as strategy for reengaging high school dropouts |
| Community College Achievement Compacts Guidance Memo | OEIB | <ul style="list-style-type: none"> ▪ Achievement compacts connect a college's student achievement plan to necessary resources ▪ GEDs and Adult High School Diplomas included in compact outcomes ▪ Specifies post-secondary certificates and Associates Degrees are community colleges' role in implementing 40-40-20 |
| The OEIB Education Funding Team Recommendations to the Governor for the 2013-15 Biennium | OEIB | <ul style="list-style-type: none"> ▪ Focuses on investments designed to transform how education is delivered to Oregon students ▪ One goal is a seamless transition between high school and college, but dropouts and the GED are not discussed |
| Higher Education and Institutional Student Success Task Force Report | | <ul style="list-style-type: none"> ▪ 17 member task force assembled to examine best practices for and barriers to accomplishing student success ▪ Identifies lack of state financial support for post-secondary education, limited support services, and poorly managed transition between high schools and community colleges as barriers ▪ Recommends giving students access to basic skills instruction combined with academic advising and career coaching ▪ Does not specifically discuss role of adult GED |

In addition to reviewing strategies and plans, we interviewed individuals involved in 40-40-20 planning who told us the current focus is predominantly on students who are in the pipeline to graduate by 2025, and not on those who have already dropped out of high school.

Strategies from the OEIB, CCWD, and other education task forces tended to focus either on improving K-12 education to better prepare students for post-secondary education or boosting credential completion rates in community colleges and universities. For example, CCWD's "*Find Your Future*" *Adult Credentialing Communications Strategy* suggests that community colleges emphasize the need for post-secondary certificates and Associate's degrees, but does not promote the GED. The transition from K-12 to post-secondary education was mentioned in the context of getting high school students more opportunities to complete dual credit courses, but the strategy does not address the high school students who drop out before having the opportunity to make that transition.

One report that specifically addressed the educational needs of adults in need of developmental education is the *Higher Education Student and Institutional Success Task Force Report*. The 2011 Oregon Legislative Assembly created this 17 member task force to examine best practices and barriers to accomplishing student and institutional success, including the 40-40-20 education goal. Lack of state financial support for post-secondary education, limited support services, and the poorly managed transition between high school and community college are identified as barriers to student success in Oregon community and four year colleges.

Strategies of other states specifically address GED

We found that other states have developed comprehensive strategies that emphasize the skills and knowledge required for adults to excel in the 21st century economy, including the role of Adult Basic Skills programs and GEDs. Although elements of these comprehensive plans are used by community colleges in Oregon, they have not coalesced into a statewide strategy.

The other states' adult GED programs have recurring themes in their statewide strategies that are useful to consider. Specifically, these strategies are focused on how to market the GED, how to retain GED students and help them be more successful, how GED preparatory providers might better coordinate with local partners to provide needed support services, and how to increase funding for adult GED programs. Below are brief summaries of adult GED strategies from other states.

Statewide Marketing Plans: Kentucky, Louisiana, Massachusetts, and Virginia have conducted or are planning to conduct statewide marketing campaigns targeted to the population in need of Adult Basic Education courses and GEDs. The goal of these campaigns is to raise awareness of the GED and the availability of public Adult Basic Education courses. For example, the state of Kentucky has a state coordinated GED marketing campaign that includes television and low-cost radio announcements about

the GED. The state has also partnered with local McDonalds restaurant owners to produce tray liners that promote the adult GED and provide a website and hotline for patrons who are interested in pursuing a GED credential.

Retaining Students: Illinois, Kentucky, and Massachusetts have recognized the benefit of a dedicated staff member available to Adult Basic Education/GED students who can provide academic advice, career planning, and helping connect students with community resources that address student barriers to continuing in their GED studies. Illinois's Early School Leaver Transition Program includes well-trained coordinators who address student barriers by providing bus passes or referrals to community services that fulfill student needs. Coordinators also work to develop relationships with students, which helps students receive the guidance and support necessary to complete a GED credential and transition to college and career.

Partnerships: California, Massachusetts, and Louisiana have strategic plans that encourage community colleges to partner with social service agencies, nonprofits, and local universities to provide additional support services such as counseling, transportation, and childcare. *Facing the Future: Massachusetts Strategic Framework for Adult Basic Education*, states that "developing, participating in, and sustaining formal and informal partnerships with state and local agencies, and the private sector, will make it possible for more adults from across the Commonwealth to access ABE services, build the core skills needed for success in today's economy, and actively participate within their community as involved parents and family members, savvy consumers, and informed citizens."

Increasing Funding: Ohio, Louisiana, Massachusetts, and Washington integrated plans for additional funding into their statewide strategies. Ohio set a goal of 10% annual enrollment growth in GED classes and plans to seek additional public and private revenue streams to expand capacity. Louisiana and Massachusetts require GED providers to specify how they will provide support services in their grant applications for supplemental state funds. Washington's Opportunity Grant Program provides state funding dedicated to support services for low-income students who participate in integrated basic skills and career pathways courses. Each eligible student can receive up to \$1,500 to fund services such as one-on-one tutoring, career advising, emergency child care, and emergency transportation.

Limited funding for adult GED programs

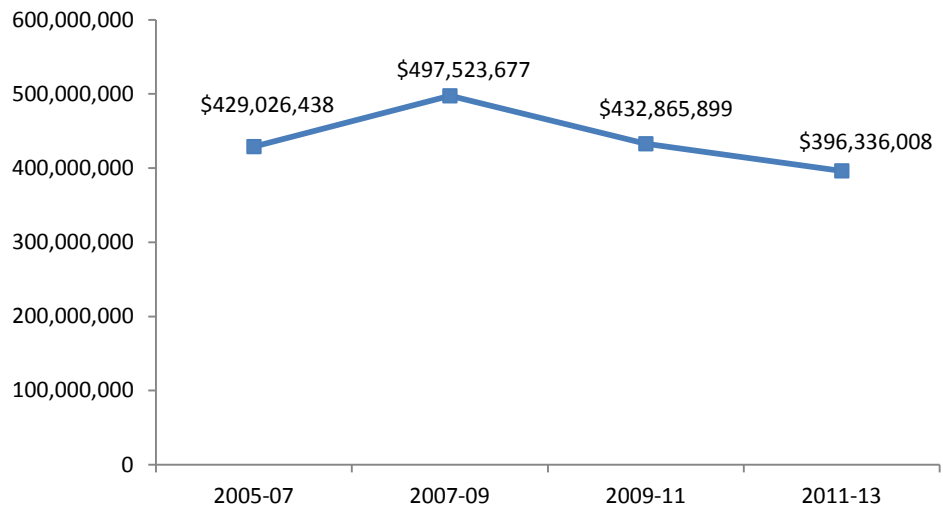
To achieve the state's education goal of ensuring that all adult Oregonians have at least a high school diploma or equivalent by 2025, funding to do so will need to be available. Although most of the community colleges indicated they have the capacity to support additional students in existing GED preparation classes, the cost to provide additional classes would need

to be addressed. For example, current budgets may not support hiring additional instructors.

Because Adult Basic Skills programs, including GED, do not charge tuition and there are either minimal or no fees, these courses generate very little revenue for community colleges. GED students in these programs pay course fees ranging up to \$95 per class. We estimate it costs community college GED programs on average about \$2,400 per student each year to fund instructional costs alone. This amount does not include administrative overhead costs, such as the cost of facilities, or the cost to provide other services to students such as academic advising, tutoring, library and computer labs, or career counseling.

Oregon is one of the few states that do not provide categorical funding for GED testing, but individual colleges use state and local general funds, in addition to federal grant dollars, for GED programs. As Figure 4 shows, state support to community colleges has declined significantly in recent years, so there are likely fewer resources available to allocate to Adult Basic Skills, including GED courses.

Figure 4: State Support to Community Colleges, 2005-07 to 2011-13 Biennia



Several community college Adult Basic Skills directors expressed concerns about the feasibility of funding additional GED preparatory classes to achieve Oregon's 40-40-20 education goal, due to significant reductions in funding for Adult Basic Education programs and limited revenues from student fees versus tuition. Administrators told us although they receive federal Title II funds for the neediest students, these funds combined with course fees do not cover all the costs to provide the GED program, often requiring the colleges to supplement funding for the programs.

Although state programs, such as Temporary Assistance to Needy Families (TANF) and Workforce Investment Act Adult and Dislocated Worker programs refer their clients to GED preparation programs and testing,

budget reductions have resulted in very few still offering funding for education, including funding for GED preparatory classes and the GED exams. For example, a Department of Human Services administrator we spoke with, told us the TANF JOBS program has undergone a nearly 75% reduction in its education and training budget. As a result, JOBS clients no longer receive financial support for childcare and transportation while attending school.

Additionally, several of the community college Adult Basic Skills directors are anticipating higher costs associated with the 2014 GED exam, since running a computer based testing center will require purchasing additional computers and the GED Testing Service now charges fees to provide practice exams. There is also concern that the proposed increase in the fee to take the exam will be a further deterrent to some students who might otherwise take it.

Recommendations

We recommend that CCWD:

- Work with the State Board of Education, the Oregon Education Investment Board, and the community colleges to further develop a comprehensive strategy to address the role of the GED credential in meeting Oregon's 40-40-20 education goal;
- Work with the Oregon Department of Education (ODE) and the community colleges to help facilitate the sharing of allowable information about students who have recently dropped out of high school or did not fulfill the requirements to earn a high school diploma for the purposes of providing them information about the GED program and exam;
- Further facilitate the sharing of information and best practices used by community colleges and others to reengage adults without a high school diploma or a GED credential, retain GED students in preparatory programs, and encourage GED students to continue their college education;
- Continue to facilitate partnerships through discussions with other agencies and organizations to help ensure clients needing a GED credential are referred to local programs;
- Work with the community colleges to help increase public awareness of the value of obtaining a GED credential in order to achieve personal education and employment goals. Also, consider developing a statewide public awareness campaign for the GED program and exam; and
- After the implementation of the 2014 GED exam, consider evaluating the impact of the exam and the additional performance level to determine whether recipients appear to be adequately prepared for the workforce and/or college.

Objectives, Scope and Methodology

The objective of our audit was to determine whether there are opportunities to increase the number of General Education Development credential (GEDs) awarded to adults in order to meet the goal that all adult Oregonians achieve at least a high school diploma or equivalent by the year 2025.

We focused our audit on opportunities available to CCWD and Oregon's community colleges to increase the number of GEDs among Oregonians who do not have a high school diploma or equivalent. We reviewed the GED preparation courses available at each of Oregon's 17 community college districts.

To determine whether there are opportunities to increase the number of GEDs awarded to Oregon adults, we interviewed CCWD administrators and staff, members of the OEIB, and administrators responsible for overseeing GED instruction in all 17 community colleges. In addition, we conducted site visits at most of the community colleges and reviewed their GED program websites. We also reviewed the results of Adult Basic Skills/GED evaluations conducted by CCWD.

We interviewed program staff at state agencies that refer clients to the GED programs and GED exam to understand their referral policies and practices. To understand how the OEIB, CCWD, and the Higher Education Student Success Task Force have incorporated the GED into their plans to achieve 40-40-20, we reviewed plans, reports, and documents, and interviewed staff members of the OEIB to learn about the planning in progress. We also looked at other states' strategic plans related to GED programs, and interviewed staff members from education agencies in other states, such as the Illinois Community College Board, the Kentucky Council on Postsecondary Education, and the Virginia Department of Education to learn how they market the GED and retain students in GED preparation courses.

To understand the resources necessary to increase the number of GEDs awarded to adults, we estimated the cost per full-time equivalent student of providing GED instruction. We obtained expenditure data from CCWD that included instructional costs for Adult Basic Education, GED, English as a Second Language, and credit classes under the 100 level. We also obtained student full-time equivalent enrollment data from CCWD and discussed data reliability policies and procedures with CCWD program staff. We also verified the reasonableness of our instructional cost calculation with the community college Adult Basic Skills directors.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives.

We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.



February 4, 2013

Sheronne Blasi, Audit Manager
Oregon Audits Division
255 Capitol Street NE, 5th Floor
Salem, OR 97310

Dear Ms. Blasi,

Please accept this letter as the formal response by the Department of Community Colleges and Workforce Development (CCWD) to the Secretary of State's audit conducted to determine opportunities to increase adult GEDs in support of the 40-40-20 Education Attainment Plan.

While CCWD is generally in agreement with the audit recommendations as potentially effective process improvement strategies to address the role of the GED credential in meeting Oregon's 40-40-20 education goal, I do want to comment on specific assumptions and the recommendations in the audit report.

Recommendation 1: Work with the State Board of Education, the Oregon Education Investment Board, and the community colleges to further develop a comprehensive strategy to address the role of the GED credential in meeting Oregon's 40-40-20 education goal.

CCWD believes that any strategy to support the GED role in the attainment of the 40-40-20 goal must include the allocation of categorical state funding to support the citizens of Oregon attaining the credential. This lack of categorical funding in Oregon is referenced on page 20 of the audit report.

Recommendation 2: Work with the Oregon Department of Education (ODE) and the community colleges to help facilitate the sharing of allowable information about students who have recently dropped out of high school or did not fulfill the requirements to earn a high school diploma for the purposes of providing them information about the GED program and exam.

CCWD supports the focus of this Recommendation as outlined on pages 10 and 11 of the report: there is opportunity to refer recent high school drop outs to community college GED preparation programs. Recent drop outs represent a relatively small percentage of the overall population of Oregonians who do not have a high school diploma or GED, but do represent the population for which there is likely to be accurate/up to date contact information.

Recommendation 3: Further facilitate the sharing of information and best practices used by community colleges and others to reengage adults without a high school diploma or a GED credential, retain GED students in preparatory programs, and encourage GED students to continue their college education.

The CCWD Leadership regularly engages with the 17 local Adult Basic Skills program directors in sharing best practices during the quarterly meetings of the directors group.

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Recommendation 4: Continue to facilitate partnerships through discussions with other agencies and organizations to help ensure clients needing a GED credential are referred to local programs.

CCWD is developing an environmental scan to determine the relationships between the community college Adult Basic Skills programs and the WorkSource Oregon centers. The intent is to 1) identify the full array of resources available to lower skilled Oregonians; 2) enhance communication and improve referral processes between the ABS programs and the WorkSource centers.

Recommendation 5: Work with the community colleges to help increase public awareness of the value of obtaining a GED credential in order to achieve personal education and employment goals. Also, consider developing a statewide public awareness campaign for the GED program and exam.

CCWD will develop deliberate strategies to market the new GED test and to promote completion of the current test/credential by those Oregonians who have started their testing under the 2002 test series. This public awareness campaign will directly involve both community college GED testing centers and GED preparation programs. CCWD's Key Performance Measure 1 makes GED attainment an agency performance metric, and CCWD remains committed to encouraging all Oregonians who do not have diploma to complete the GED credential.

Recommendation 6: After the implementation of the 2014 GED exam, consider evaluating the impact of the exam and the additional performance level to determine whether recipients appear to be adequately prepared for the workforce and/or college.

The evaluation of the 2014 GED test will occur at several levels including nationally by GED Testing Service, at the state level through data from the development of the new longitudinal data system, and by community college Adult Basic Education programs whose goals include transitioning students to post-secondary education.

The new GED test has two performance levels: 1) high school equivalency and 2) endorsements in each of the four content areas for those who score considerably higher. These endorsement levels will, hopefully, assure that individuals who achieve these higher levels will be able to enroll in credit-bearing classes at community colleges. Since this is a new feature of the GED tests, the test will need to be evaluated to validate whether, in fact, this is true.

While CCWD will monitor interim evaluations of the new GED test, it will likely be several years before sufficient data exists and is collected to conduct an analysis as suggested in the audit report. At that time, we will determine whether such an evaluation is warranted.

Sheronne Blasi
February 4, 2013
Page 3

Finally, to reiterate, the department finds the processes suggested in the six recommendations potentially valuable strategies for the colleges and their community partners to engage in as they respond to the needs of adult GED students in their region.

Respectfully,

A handwritten signature in blue ink that reads "Camille Preus". The signature is fluid and cursive, with a long horizontal stroke extending to the right from the end of the name.

Dr. Camille Preus
Commissioner

About the Secretary of State Audits Division

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Audit Team

William Garber, CGFM, MPA, Deputy Director

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Nicole Pexton, MPP, Staff Auditor

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The courtesies and cooperation extended by officials and employees of the Oregon Department of Community Colleges and Workforce Development, and that of the 17 community colleges during the course of this audit were commendable and sincerely appreciated.